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Sustainable development and international economic cooperation: implementation of the Programme of Action for the Least Developed Countries for the 1990s

Letter dated 30 September 1999 from the Permanent Representative of Bangladesh to the United Nations and Coordinator of the Least Developed Countries in New York addressed to the Secretary-General

I have the honour to transmit herewith the text of the Declaration adopted by the Ninth Annual Ministerial Meeting of the Least Developed Countries held at United Nations Headquarters on 29 September 1999.

I would like to request you to arrange to have the present letter and its annex issued as an official document of the fifty-fourth session of the General Assembly, under agenda item 99 (f).

(Signed) Anwarul Karim **Chowdhury**
Ambassador and Permanent Representative
Coordinator of the Least Developed Countries in New York

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Annex

Declaration adopted by the Ninth Annual Ministerial Meeting of the Least Developed Countries held during the fifty-fourth session of the General Assembly, New York, 29 September 1999

We, the Ministers of the Least Developed Countries, having met at the United Nations headquarters during the 54th session of the General Assembly, on 29 September 1999 pursuant to the decision of the Dhaka Declaration of February 1990,

Recalling the Ministerial Declaration adopted on 28 September 1998 during the fifty-third session of the General Assembly,

Stressing the importance of the Third UN Conference on LDCs (LDC III) to be held in the year 2001,

Having assessed progress in the implementation of the Programme of Action for the Least Developed Countries for the 1990s, solemnly declare the following:

1. The development problematique of the LDCs has become increasingly accentuated by the ongoing processes of globalization and liberalization. These processes have further compounded the long-term structural constraints to their growth and development, exposed them to new and formidable challenges, and rendered their efforts towards achieving sustained growth and sustainable development and poverty eradication more complicated. Against this backdrop, and the unsatisfactory implementation of the commitments undertaken in the Programme of Action, LDC III provides a major opportunity for the LDCs and their development partners to recommit themselves to strong and effective actions, within the framework of shared responsibility and genuine solidarity, to arrest and reverse the continued marginalization of LDCs and to end the unrelenting plight of their people. Coming as it does at the dawn of a new century, the Conference should aim at achieving concrete and binding global and country-level commitments on the part of both LDCs and their partners to eradicate the incidence of extreme poverty in LDCs within the first decade of the century. Simultaneously, commitments undertaken at LDC III should also promote positive integration of LDCs into the world economy and the international trading system in a measurable and time-bound manner, and support longer term development programmes in the area of sustainable human development.

2. We welcome the timely actions by the Secretary-General and the Executive Secretary of LDC III for launching the official preparatory process, at the secretariat level on 20 July 1999 in Geneva and for constituting a Consultative Forum for the preparatory process, thereby closely involving, at an early stage, all relevant stakeholders, comprising LDCs, development partners, civil society representatives including NGOs and the private sector, and key multilateral agencies. These actions have our full support.

3. We also welcome the initiative for global-level preparations for LDC III on thorough and adequate country-level preparatory activities. We believe that such an approach is indispensable for enabling people in different walks of life in LDCs to identify themselves with the Conference and its preparations, which is essential for effective national-level implementation of the outcome of the Conference. We also would direct our efforts to engage all stakeholders in our countries. At the same time, we call upon all relevant parties, particularly multilateral organizations, including those with field representation and donor countries, to extend full support to such preparation. We are particularly encouraged by the initiative of the European Union, host of LDC III, to fully involve their representatives in LDCs in the country-level preparatory process.

4. The relevant upcoming global meetings and conferences, including the Third WTO Ministerial Conference, UNCTAD-X, reviews of major global conferences, the Millennium Assembly and the International Intergovernmental Consideration on Financing for Development should contribute to, and be linked with, the preparatory process of the LDC III. We also believe that other ongoing and planned initiatives on LDCs should be brought under the overall umbrella of the preparations for LDC III with a view to ensuring consistency, coherence and effectiveness.

5. Effective participation of LDCs in LDC III is of utmost importance. We call upon the Secretary-General of the United Nations to make proposals for this purpose for the consideration at the 54th session of the General Assembly, so as to defray the cost of participation of at least two representatives from each LDC in the preparatory meetings and the Conference itself. In this regard, we extend our full support to the appeal made by the Secretary-General of LDC III to mobilize extra-budgetary resources for the preparatory process.

6. The credibility and effectiveness of LDC III would rest critically on the quality of preparations. In this regard, we strongly stress the need to provide adequate human capacity and financial resources to the Conference Secretariat, particularly through the provision of regular budget resources of the United

Nations. We invite the Secretary-General of the United Nations to make proposals in that regard in the context of the budget for the biennium 2000-2001. We also emphasize the need to reinstate staff resources that were allocated by the General Assembly following LDC-II to support consultations among LDCs at the UN headquarters.

7. The review of the implementation of commitments undertaken in the Programme of Action for the 1990s is a major task before LDC III. In particular, objective assessments need to be made as regard to commitments in the areas of Official Development Assistance (ODA), debt, investment and trade, which have not been implemented as agreed. Far from providing LDCs with substantially increased external financial resources - as committed under the Programme of Action - and meeting the agreed targets of ODA, donor assistance has fallen to historically low levels in recent years. This has further aggravated rising debt overhang and falling commodity prices. The few donor countries which have continued to give high priority to LDCs in their ODA allocation, and meet or exceed ODA targets, deserve our deep appreciation. In the absence of meaningful external private flows, increased availability of adequate and sustained levels of external official financial resources is critical to LDCs' own efforts to resume and maintain growth and development. We call upon development partners, in particular those who have not yet done so, to meet their commitments under the Programme of Action by substantially increasing the level of aggregate financial support to LDCs.

8. The external financial situation faced by LDCs has been seriously aggravated in the 1990s by continued heavy debt and debt-servicing burden. It not only constrained their development efforts, but also undermined their credibility to mobilize external private flows. Without immediate debt cancellation, growth prospects and development of LDCs will continue to be bleak. In this regard, we commend the recent Cologne initiative to significantly reduce debt of HIPCs, the majority of whom are LDCs. We consider this to be an important step in the right direction, marking a clear improvement over the original HIPC framework. However, substantial alleviation of LDCs' debt burden is yet not in sight. We reiterate our appeal to all creditor countries and institutions to expeditiously cancel all outstanding debt owed by LDCs. While a majority of LDCs are included under the HIPC initiative, debt relief requirements of other LDCs should also be promptly and adequately met.

9. The international community has paid inadequate attention to the serious development finance crisis faced by the LDCs throughout the 1990s. It generated collapse of ODA, aggravated the debt burden and reduced export receipts. This resulted in adverse effects on growth, development and aggravation of human sufferings in these countries. This contrasts starkly with the speed and magnitude

of the financial packages made available during the financial crisis in the late 1990s. We strongly recommend that external financial issues affecting LDCs, particularly ODA, debts, and FDI, should be at the forefront of the agenda of the International Intergovernmental Consideration for Financing for Development, which would also take place in 2001. Further, a synergy should be established between this process and preparations for LDC III, including through joint documentation and joint preparatory events, as necessary.

10. In world trade, the marginalization of LDCs has accentuated in the 1990s. Strengthening LDCs' capacity to fully and effectively participate in the multilateral trading system should be an important part of international efforts to integrate LDCs into the world economy. Accession of LDCs that are not yet members of WTO to that organization should be put on a simplified fast track to complete the process within one year of application. The special and differential measures in favour of LDCs should be rendered binding by making them an integral part of the rules and disciplines governing the multilateral trading system. We stress that in implementing existing multilateral trade agreements and in future negotiations, the international community should ensure that the obligations placed on LDCs are consistent with their level of development and capacity to carry out such obligations. We further stress that significant scope exists for improving market access conditions for LDCs and call for early actions to remove tariff peaks and tariff escalation.

11. We strongly emphasize the need for assisting LDCs to prepare for the Third WTO Ministerial Conference and its follow-up. In this connection, we commend the initiative to convene the Coordinating Workshop for Senior Advisors to Ministers of Trade in LDCs in Sun City, South Africa in June 1999. We express our deep gratitude to the Government of the Republic of South Africa and the UNDP for their financial support to the holding of this meeting and to participation of LDC representatives. We are pleased to note that the outcome of this meeting ("Integrating LDCs into the Global Economy: Proposals for a Comprehensive New Plan of Action in the Context of the Third WTO Ministerial Conference") has been officially presented to the WTO General Council by the Coordinator of LDCs in Geneva. We note that this document will also be presented to UNCTAD-X and the preparatory process for LDC III and urge that its recommendations be translated to concrete actions. We also recommend that our peers of trade meet on 29 November 1999, in Seattle, one day prior to the convening of the Third WTO Ministerial Conference with a view to coordinating the Group's position, and advancing the outcome of the workship of the Sun City. We further recommend that the Permanent Missions of the LDCs in Geneva intensify their activities on the ongoing preparatory process for the Seattle Conference so as to ensure positive and concerete results and urge UNCTAD to continue providing the necessary technical support.

12. Meaningful and beneficial integration of LDCs into the global economy and multilateral trading system requires concrete actions by the LDCs and their development partners to strengthen LDCs' supply capacities, *inter alia*, through the development of physical and institutional infrastructure and human resources development, unencumbered and improved market access, and flexibility in the use of appropriate policy instruments to strengthen competitiveness of sectors of strategic importance for the development of their trade. The initiative for duty-free treatment for all products of export interest to LDCs should be implemented immediately by all trading partners. We also call for early and effective implementation of the Integrated Framework for Trade-Related Technical Assistance to LDCs by the six core agencies (WTO, UNCTAD, UNDP, ITC, IMF and World Bank).

13. We note that the process of globalization and liberalization poses serious risks and challenges to the Least Developed Countries, specially the smallest amongst them, and emphasise the importance of further improvements in the existing LDC criteria to make it reflective of structural weakness, impediments to development, and constraints to integration into the world economy. In this regard, we call for the early development of the vulnerability index for Small Islands Developing States, as called for by the General Assembly resolution 51/183 of 16 December 1996. We are of the view that the question of graduation of any LDC Member States should be deferred until such an index is developed, has been fully assessed and the report requested from UNCTAD on practical impact of the measures in favour of the LDCs in various international agreements and programmes is completed.

14. The geographical handicaps faced by land-locked LDCs add to their structural deficiencies and compound the difficulties they encounter in integrating their economies into the international trading system. The trade and development prospects of these countries depend critically on national efforts and international support to overcome physical and non-physical barriers with a view to reducing the high cost of transit transport and promoting and reliable access and services to the world markets. Like the previous UN conferences on LDCs, the specific transit-transport issues of land-locked LDCs should be adequately addressed in the preparatory process of the LDC III. In this connection, we also welcome the outcome of the fourth meeting of Governmental Experts from the Land-locked and Transit Developing countries and Representatives of Donor Countries and Financial and Development Institutions (New York, 24 to 26 August 1999), which contains important action-oriented recommendations that are relevant to land-locked LDCs.

15. We reaffirm our commitment to pursue macro-economic and sectoral policies conducive to promoting growth and development and eradicating poverty

in our countries. We underscore that the progress in economic transformation made by LDCs in the 1990s, albeit inadequate, has been primarily due to the wide-ranging reforms undertaken by our countries under most difficult domestic and external conditions. We note with grave concern that the numerous declarations, promises and commitments in favour of LDCs have, to a great extent, failed to materialize. As a result, the benefits from national policy reforms and adjustment programmes adopted by LDCs themselves were not fully realized. In some cases, these even have had a negative impact. Nevertheless, we will continue to make efforts to create conditions for improved implementation of national policies and external support measures for economic growth and diversification, social progress, and sustainable development.

16. Many LDCs have been ravaged by the growing number of humanitarian and natural disasters and environmental emergencies. We stress that humanitarian and natural disaster reduction forms an integral part of sustainable development plans of affected countries and communities. International cooperation to address emergency situations and strengthen the response capacity of these countries is of great importance. We call on bilateral, intergovernmental and non-governmental organizations to continue to make genuine contribution for supplementing national efforts in tackling humanitarian emergencies and natural disasters.

17. We reiterate that relief, rehabilitation, reconstruction and development are generally not consecutive but often overlap and occur simultaneously. We, therefore, recognise that a comprehensive approach to natural disasters and complex emergencies is needed. We stress the need for early joint planning and prioritisation, the central role of capacity building, the importance of a clearly agreed division of labour through inter-agency collaboration, as well as the need for more flexible financial systems for transitional programming.

18. We express our appreciation to the Prime Minister, Her Excellency Sheikh Hasina of Bangladesh, and her Government for the continued leadership and coordination of the LDCs in various forums, and request her to continue to play this important role, including taking up with other Heads of State or Government and international institutions, issues relating to LDC III during the critical preparatory process. We also decide to convene a Ministerial preparatory meeting prior to LDC III to formulate our position on issues before the Conference and, in accordance with the past practice, request the Government of Bangladesh to host this meeting. We request the Secretary-General of the Conference to mobilize resources for holding the Ministerial Meeting, for participation of delegations from LDCs, and to provide substantive support to this event within the overall framework of preparations for LDC III.